



Department of Justice

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**JUSTICE DEPARTMENT ANNOUNCES ITS INTENTION TO BLOCK
SUIZA FOODS CORPORATION'S ACQUISITION
OF BROUGHTON FOODS COMPANY**

Merger Would Result in Higher Prices for Milk Sold to Kentucky Schools

WASHINGTON, D.C. -- The Department of Justice today announced its intention to file a civil antitrust lawsuit to block Suiza Foods Corp.'s acquisition of Broughton Foods Co. because the transaction would result in higher prices for milk sold to school districts in Kentucky.

Dallas-based Suiza and Marietta, Ohio-based Broughton are head-to-head competitors for school milk contracts in dozens of school districts in south central Kentucky. In some of those districts, the merger of Suiza and Broughton could create a monopoly on bids to supply milk. In other districts, it could reduce the number of bidders from three to two.

"This transaction would hurt competition for school milk business and result in higher prices and poorer services to schools and students in Kentucky," stated Joel I. Klein, Assistant Attorney General of the Department's Antitrust Division. "We are determined to see that competition is maintained."

The merger of Suiza and Broughton is set to occur in an industry that has been plagued by a history of collusion, the Department said. The Antitrust Division has prosecuted more than 100

criminal cases involving bid rigging on school milk contracts. Klein noted that the Antitrust Division would be vigilant in preventing anticompetitive mergers that threaten to recreate the harmful effects of the prior bid-rigging conspiracies.

Suiza, a Delaware Corporation headquartered in Dallas, owns and operates 37 fluid milk processing plants in the United States. In 1997, Suiza had net sales of approximately \$1.8 billion.

Broughton owns and operates three fluid milk processing plants in the United States. In 1997, Broughton had net sales of approximately \$87.2 million.

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